



## ***NEWS RELEASE***

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### **digitiliti Is Logical Choice for Logistics Company**

MINNEAPOLIS -- July xx, 2007 -- Storage Elements' digitiliti, a new paradigm in enterprise remote data vaulting, today announced that Koch Logistics chose digitiliti over replacing tape library equipment and upgrading software.

Timing is everything. Certainly, a logistics company lives by that credo. For Koch Logistics of St. Paul, Minn., a division of family-owned, privately held Koch Companies, Storage Elements' digitiliti came along just in time. The company's data storage requirements were growing each year and tape libraries no longer offered enough space, nor did they provide enough scalability for future needs.

"I was at a point where I faced buying new libraries and changing to new software versions that supported archival and data retention," says Bruce Waslie, senior systems engineer for Koch Logistics. "And that doesn't include our concerns about disaster recovery. "That's when digitiliti came along," he says.

An agentless offsite backup and recovery solution, digitiliti offers secure, online, remote backup and disaster recovery technologies -- technologies that provide Koch Logistics with a mix of benefits that no tape library, or any in-house storage solution, could provide.

The financial benefit of using digitiliti, rather than purchasing new libraries and

upgrading software and licenses, is huge. “It’s expensive to keep up with software changes,” Waslie says. “It’s expensive to keep up with tape libraries that can only scale so far.” With digitiliti, Koch doesn’t pay for an agent or for ongoing maintenance or support. Koch pays only for the storage space its data takes up on the system. And digitiliti’s unique compression technology ensures that space is minimized.

Each day, Koch protects more than 2000GB of data from two locations with digitiliti through a bonded T1 line over the internet. The system compresses that data to less than 900GB (about 2.4:1).

Confidence in the system also is a big plus. “We’d always been concerned about our backups – simply, whether or not they worked,” says Waslie. With digitiliti, he knows that the backups are being done, they’re being done within Koch’s window, and that they’re being done securely. “We started with just a few servers; now we have 11 servers backing up to digitiliti,” he explains. “It backs up my most critical data, the high-end servers I couldn’t do business without, and it does it automatically and flawlessly. I have no worries – I know it’s done and if I need to recover data I know I can.”

Waslie is sure that business could go on with little interruption if a fire, tornado or other disaster destroyed Koch’s facilities. “This building could blow up and I could find HP boxes, install digitiliti’s client and be functioning again quickly.” File-level restore is as easy as system level.

“With digitiliti, it’s easy to get a single file back,” says Jon Murpby, Executive Vice President of Sales for Storage Elements’ digitiliti. “We hold everything in random form, and our software manipulates files, building the single file back when you need it.”

Waslie knows that to be fact. “One sales rep inadvertently deleted something, and I restored it. It was quick and easy – in minutes. There were no tapes to spin, I just keyed in the information. It was like doing a local restore on a hard drive. “I was happy. And,” he adds, “I had one very happy sales rep.”

digitiliti is a new paradigm in enterprise remote data vaulting, providing on-demand backup services featuring unlimited scalability to support spiraling data growth

rates across distributed network infrastructures. First launched in 2003 as a software developer and hardware integrator, Storage Elements, the company has repositioned itself to focus solely on servicing the storage needs of enterprise-level accounts. Headquartered in Minneapolis, Storage Elements is the majority shareholder of Digitiliti, Inc. (PINK:DIGI) that is a publicly-traded company and Storage Elements is in the process of completing a merger with Digitiliti, Inc., at which time its corporate identity will officially become Digitiliti, Inc. More information is available at the company's website: <http://www.digitiliti.com>.

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